

**COLUMBIA RIVER GORGE NATIONAL SCENIC AREA  
OREGON INVESTMENT BOARD**

Wednesday June 18, 2014

Hood River County Library, Hood River OR 97031

10:00 AM

**ATTENDANCE:**

OIB Members: Ken Farner, Ken Bailey, Jack Miller, Judith Perry, and Peg Caliendo

STAFF: Amanda Hoey, Eric Nerdin, Sherry Bohn, Scott Turnoy and Sherry Wickert

Guest: Andrea Klaas, Port of The Dalles

**CALL TO ORDER:**

Chair Ken Bailey called the meeting to order at 10:00 a.m. A quorum was present.

**CONFLICT OF INTEREST POLICY AND INTRODUCTIONS:**

Ken Bailey asked the Board to disclose any conflict of interests for any of the applications to be reviewed today. No conflicts of interest were disclosed. A round table of introductions was held.

**MINUTES:**

Judith Perry moved to approve the minutes from May 21, 2014. Peg Caliendo seconded the motion. Motion passed unanimously.

Ken Farner joins the meeting at 10:02 am.

**FINANCIAL REPORT:**

Sherry Wickert presented the financial report for the period ending May 31, 2014. She reported that, as per the presented report, the OIB Interest Earnings for May was \$9,196.61 and the Principle Repayments for May was \$7,987.23. She also reported that the Loans Receivable Balance was \$1,550,764.48. Noted in the financial documents is that the latest loan approved for Sage Creek is not yet reflected on the "Distributions of Grants and Loans Approved" report and will be updated in the financial report next month. The funds available to grant/loan is therefore reduced by the amount of the Sage Creek loan. In addition to presentation of the monthly financials, Sherry noted that she anticipates the audit starting in September.

*Discussion: Ken Farner expressed concerns about the loan delinquency interest affecting the ability of the board to fund grant requests. Sherry Wickert stated that last year the OIB booked \$15,000 for Allowance for Bad Debt as a recommendation from the auditor while performing the MCEDD fiscal year end audit. Ken Farner asked where he would find that figure. Sherry Wickert stated it was in the audit, which is also provided to the OIB when completed and that she would provide him a copy.*

Ken Farner moved to accept the financials with the noted remarks. Peg Caliendo seconded the motion. Motion passed unanimously.

## **GRANT REQUEST: PORT OF THE DALLES**

Scott Turnoy presented a \$10,000 grant application from the Port of The Dalles to help Port of The Dalles businesses market their products and services at trade shows and to assist with travel for trade missions. Specifically, OIB funds would be used to reimburse Port of The Dalles businesses for trade show and trade mission expenses, including booth space rental and equipment costs, trade show participation fees, freight costs for exhibit materials to and from trade shows, and interpreter/translation fees for marketing materials. The project is intended to expand market exposure for Port of The Dalles businesses via a marketing fund, for which the Port of The Dalles will establish an application process available to all Port of The Dalles businesses.

Scott reiterated that the project addresses the Port of The Dalles's mission "to support the creation, retention, expansion, and recruitment of businesses and jobs that will enhance the economy of the District" by assisting Port of The Dalles businesses through enhanced marketing opportunities that may lead to business expansion.

*Discussion: Jack Miller asked about the language in Exhibit A that "Reimbursements of OIB grant funds are to be done on a percentage basis" and asked if that meant there was a plan to repay the grant. Scott Turnoy explained that there is no repayment of the grant by the client and the reimbursement refers to reimbursement of the client's costs by the OIB. He further explained the percentages and granting process.*

*The board asked about the language that this will support Port of The Dalles businesses and what that meant. Andrea clarified that it is intended to mean businesses within the Port of The Dalles district area.*

*Andrea Klaas stated that this application was an outcome from discussion between Port of The Dalles businesses, the Port of The Dalles and MCEDD as an opportunity to create a combined resource to better support business development and that the OIB funds will leverage funds from both the Port and individual businesses which will make the total fund \$40,000. Andrea elaborated on the number of different businesses on the port at this time which would have an opportunity to use these funds. Andrea also stated that she was clear as to the use of OIB funds within the Oregon geographic boundary of the NSA and other funds would be leveraged to support businesses outside the NSA.*

*Ken Farner stated a potential conflict of interest due to being a past port commissioner and current taxpayer in the district. It was discussed that, due to the fact that he is not a current port commissioner, there was not a conflict of interest.*

*Ken Bailey discussed the history of OIB money designated for granting purposes. Ken Farner stated that he believed that public entities should manage their money for the future. Ken Bailey expressed his support for this grant for businesses. He also expressed his belief that it is a benefit to promote The Port of Dalles. Judith Perry stated that there appeared to be no conflicts between the businesses that the Port of the Dalles presented.*

*Jack Miller asked if there were other businesses that this is targeted to and if this was going to be used to promote The Port of The Dalles. Andrea Klaas stated that there were other businesses targeted and it will also be an attempt to promote the Port of The Dalles in two targeted areas – Food Processing and Manufacturing.*

### **GRANT REQUEST DECISION: PORT OF THE DALLES**

Jack Miller moved to approve the \$10,000 grant with the conditions listed below in addition to those listed in Exhibit A. Judith Perry seconded the motion. Motion passed unanimously.

Conditions:

- Applicant will consult with OIB staff for development of Business Marketing Fund applicant eligibility and application/reimbursement forms.
- Applicant will report to the OIB on the use of the Business Marketing Fund, listing the businesses that receive assistance, the events attended, and the outcomes of businesses attending events.

*Discussion: Amanda Hoey clarified Exhibit A stating that this should be businesses in the Port of The Dalles District. Peg Caliendo asked about the difference between the funding goals score sheet in the application and the staff report. Scott Turnoy stated that they are often different: the applicant provides their response and staff reviews those responses and provides independent statements on how an applicant does or does not meet the goals.*

### **LOAN MODIFICATION REQUEST: LUPIN CONSTRUCTION**

Eric Nerdin presented a loan modification request for Lupin Construction for the release of collateral for its sale with monies being applied to his outstanding loan balance.

### **FUNDED LOAN REPORT & UPDATES**

Eric Nerdin provided an update on OIB's delinquent loans including:

- 1) Full Circle, LLC.
- 2) Hood River Learning Center.

### **EXECUTIVE SESSION:**

Per ORS 192.660 (f) Exempt Documents, the Oregon Investment Board moved into Executive Session at 10:24 a.m.

Regular session was reconvened at 11:16 a.m.

### **LOAN MODIFICATION REQUEST DECISION: LUPIN CONSTRUCTION**

Jack Miller moved to approve the modification of loan #74-02-02 to Lupin Construction Corporation and release the assets of Lupin Construction, Inc. to allow for the sale of these assets. The sale monies will be paid as principal payments to the loan. Staff is further authorized to work with loan client to determine acceptable sale amounts of assets. All other

terms and conditions from previous contracts and approvals remain in place. Ken Farner seconded the motion. Motion passed unanimously.

**OTHER NEW BUSINESS:**

Amanda Hoey reported that the Sage Creek loan was waiting on Columbia River Gorge certification and with the departure of Jennifer Kaden she was expecting it to take a little longer. Staff will continue to request timelines for certification from Gorge Commission staff. Eric Nerdin reported that Oregon Growers and Shippers has closed but it is not yet funded.

**ADJOURNMENT:** Having no other new business, the meeting was adjourned at 11:25 a.m.